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DEC 06 2006

Appl. No. 09/671,005
Amdt. dated December 6, 2006
Reply to Office Action of October 30, 2006

Remarks

The present amendment responds to the Official Action dated October 30, 2006. The Official Action required the cancellation of non-elected claims 12-29 and 39. Claims 1-7, 11 and 30-35 were rejected under 35 U.S.C. 102(b) based on Deng, "Mortgage Termination: An Empirical Hazard Model with Stochastic Term Structure" (Deng). Claims 10 and 38 were rejected under 35 U.S.C. 103 over Deng. Claims 8 and 36 previously indicated to be allowable have been rewritten in independent form and consequently claims 1 and 30 have been canceled without prejudice. Non-elected claims 12-29 and 39 have been canceled without prejudice. Claims 2-11 and 31-38 are presently pending and are in order for allowance.

The Art Rejections

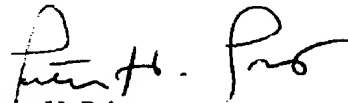
Deng does not support the Official Action's reading of it and the Applicants do not acquiesce in the analysis of Deng made by the Official Action and respectfully traverse the Official Action's analysis underlying its rejections. However, this disagreement is moot in light of the present amendment. Claims 8 and 36 previously indicated to be allowable have been rewritten in independent form, and the remaining claims have been rewritten to depend therefrom.

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Conclusion

All of the presently pending claims, as amended, appearing to define over the applied references, withdrawal of the present rejection and prompt allowance are requested.

Respectfully submitted,



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